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FORCES MASSED FOR GREAT BATTLE

TROOPS CLOSE ON AKSUM

AIR RAIDERS CAUSE HAVOC IN OGADEN

WOMEN AND CHILDREN DIE IN VILLAGES

(SPECIAL TO "TELEGRAPH")

(By Telegraph. Copyright, Telegraphic Messages Ordinance, Received, Oct. 13, 7 a.m.)

Rome, Oct. 12.

It is announced officially that the encirclement of Aksum by the Italian forces is now virtually complete. The three northern armies are preparing for a new major thrust up the central Ethiopian plateau towards the Djibouti-Addis Ababa railway and perhaps towards Addis Ababa itself.

The First Army Corps has left Adigrat for the purpose of cutting and controlling the camel route to Makale.—United Press.

GREAT BATTLE IMMINENT

Harrar, Oct. 12.

A battle involving 150,000 men, and testing Ethiopia's fate, appears to be imminent on the southern plateau.

The populace of Harrar is very much afraid. A Greek hotel proprietor has abandoned his inn here to newspapermen and forty million fleas.

Refugee civilians from the south claim that the Italians have bombed and smashed non-combatant villages and killed scores.

At Jijiga they saw thousands of savage warriors entrenching themselves to meet 60,000 Italian troops advancing from the Somaliland frontier.

The chiefs, in unprintable epithets, give their opinion of the League of Nations diplomats.

Says the Ogaden command: "We are suffering terribly, but we are still holding Ogaden. Our front is still intact. We are subjected to fiendish methods of warfare at the hands of a man who is angered that we protect our homes and lands."—United Press.

ADOWA TAKEN?

Addis Ababa, Oct. 12. Despite official insistence of ignorance, the report persists in reliable circles that the Ethiopians have actually recaptured Adowa.

(First reports to this effect were received through Reuters two days ago and were subsequently denied by the United Press, following contradictions from Rome.)

It is stated that the Ethiopians rushed the city and drove the Italians out, killing or wounding or capturing 2,500 men and taking large stores of ammunition and other military supplies.—United Press.

TERRIBLE BOMBARDMENT

[On the Somaliland front with the Italian Army, Oct. 12.]

Standing on the ramparts of Mustafik castle in the Webbe Shibelli River valley, I saw the aerial bombardment of the Ethiopian fortress of Dagnore, and the adjoining town of Degabanko, on the north bank of the river.

The Italians bombed these places for forty minutes and high columns of smoke rose from the ruins left by the explosives.

The town and fortress were still burning in mid-afternoon and the troops were eagerly awaiting the order to advance.—Sandro Sandri with the United Press.

WOMEN AND CHILDREN DIE

Harrar, Oct. 12.

It is officially announced that the Italian bombing of the Webbe Shibelli River valley has resulted (Continued on Page 2.)

BRITAIN FACING WAR RISK

MAY MOVE ALONE AGAINST ITALY DANGEROUS SITUATION

(By LOUIS KEEMLE)

New York, Oct. 12. Britain may be forced to choose between acquiescence to Italian rule in Ethiopia—or war.

Despite the more exciting headlines in the newspapers to-day the most significant item was the defection of the hitherto unknown chieftain, Hailu Selassie Gussa, a dusky chieftain who controls an important sector bordering on Eritrea. He is one of the many native leaders who was never reconciled to Emperor Selassie's rule.

His co-operation permits an easy advance south towards Danakil and the Djibouti-Addis Ababa Railway.

If other chiefs follow the example of Gussa, which is not improbable, the Italians will have the Emperor's inland capital surrounded, at least on three sides, the north, east and south-west.

Italian agents have been working for months to win over the tribal chiefs, promising them power and prosperity. If this work succeeds the time required for the conquest of Ethiopia may be cut to months instead of years, which may explain Geneva's haste.

BRITAIN'S CHOICE

If Signor Mussolini captures the territory the League may face a fait accompli, leaving Great Britain one recourse alone—either a plain, undisputed war, or acquiescence, allowing Italian rule in Ethiopia. Britain is between the devil and the deep. She does not desire war, but she does not wish to see the demolition of the international set-up in Europe.

The Mediterranean fleet concentration indicates that Britain feels that if war is necessary it should be a short and crushing one.—United Press.

ANOTHER "PUPPET" EMPIRE?

ITALY TO CREATE AFRICAN STATE

DESERTER AS "EMPEROR"

(Special to "Telegraph")

Rome, Oct. 12. Officials broadly hint that Signor Mussolini plans to create an Emperor over a State composed of a large portion of Ethiopia.

The new figure-head will probably be Ras Gussa, Governor of Tigre Province, who is reported to have surrendered to Italy with 12,000 soldiers.

Ras Gussa is no relation of Emperor Selassie. He descended from King John IV, who reigned from 1872 to 1899.

Other important Ethiopian chiefs are expected to surrender soon, giving Italy complete control of the entire outer region.

La Tribuna states that "followers of the Ethiopian Imperial Dynasty are in open revolt against the usurper in Addis Ababa."

These followers have studied the family trees and have concluded that Ras Gussa is the only legitimate descendant of Solomon, and say that both Emperor Selassie and Menelik are impostors.

It is generally believed that Ras Gussa's desertion will permit the capture of Makale without bloodshed.—United Press.



Photo shows Sir Bolton Eyres-Monsell (right) First Lord of the Admiralty, and Sir Samuel Hoare, Foreign Secretary, as they left No. 10 Downing Street after a five-hour emergency meeting of the 22 members of the British cabinet on the Ethiopian question.

GERMANY BARGAINS FOR LOAN

NEUTRALITY PLEDGE "FOR SALE"

FRANCO-BRITISH DIFFERENCES

(Special to "Telegraph")

Paris, Oct. 12.

Financial circles here are discussing reports of an Anglo-German bargain, by which Chancellor Adolf Hitler agrees not to torpedo the League of Nations sanctions plan against Italy in return for a loan from London. German neutrality is thus being offered for sale.

The reports are not confirmable. However, it is reliably stated that Germany has made preliminary overtures to Great Britain for a loan. Moreover, it is believed the prospects of her securing a loan are good, since Britain ardently desires Chancellor Hitler's support of the League's anti-Italian boycott.

WAITING FOR OPINION

Meanwhile, it is learned that the British Government has informed France that it does not favour anything beyond economic pressure upon Italy until the effects of such sanctions are apparent. It is indicated that Great Britain does not intend to commence any blockade against Italy until after the general elections, when the Government will have the opinion of the public to guide it in its European policy.

In France it is believed the elections will be set forward so that Mr. Stanley Baldwin will have the electorate's definite views before he leads the country into any course which may end in war. If the electorate strongly supports a policy leading to a naval blockade—and France believes it will—a turning point in Anglo-French relations is seen. For France will probably refuse to accompany Britain beyond economic penalties.

ANTI-SANCTIONS

Demonstrations even against economic sanctions are increasing.

GANGSTER LEADER MURDERED

BODY FOUND IN TRUNK

TOSSED OVER BRIDGE

(Special to "Telegraph")

New York, Oct. 12.

A night-watchman on Brooklyn Bridge heard a splash, peered over the parapet and saw a trunk floating in the river.

Police later recovered the trunk, forced the lock, and found the lacerated and still warm body of "Little Frankie" Teltebaum, well-known Brooklyn underworld leader. He was clad in a white shirt and lavender shorts and there was a deep wound in his forehead and another in his chin.

The murder is believed to be an incident in a prolonged gang war here.—Reuter Special.

ELECTIONS IN CANADA

ENORMOUS LIST OF CANDIDATES

Ottawa, Oct. 12.

No fewer than 894 candidates, representing eleven parties, will contest 255 seats in the House of Commons during the Dominion elections, thus producing the most confused campaign in the history of Canada.

The outlook is that none of the parties will obtain a working majority, thus necessitating coalitions.—United Press.

The boulevards are placarded with denunciations stating that the League programme is certain to embroil France in war.

The police guard on the British Embassy has been strengthened since the Rightists have assailed British efforts to force France to join in a strong anti-Italian programme at Geneva.—United Press.

ONLY WAR CAN CURB ITALY

JAPANESE BELIEVE SANCTIONS FUTILE

AMERICAN BACKING FOR GENEVA INDICATED

(SPECIAL TO "TELEGRAPH")

(By Telegraph. Copyright, Telegraphic Messages Ordinance, Received, Oct. 13, 7 a.m.)

Tokyo, Oct. 13.

The belief is growing in well-informed circles that the League of Nations cannot expect to enforce sanctions against Italy without actually engaging in war.

The Foreign Office continues silent, and will not commit itself to any opinion regarding the Italo-Ethiopian situation, even in view of the League's decision with respect to sanctions.

The Foreign Office spokesman at a conference with Japanese journalists failed to mention the League's sanctions plans.

However, there is plenty of comment in unofficial quarters. For instance, the well-known newspaper, Jiji, in an editorial, represents the general opinion as being that "America has put the neutrality law into effect. However, it is impossible to interpret the American action as favourable to the League of Nations."

Jiji Shimbun continues: "Anything the League does in the present situation, short of military pressure, cannot affect Japan, which is already following a policy of strict neutrality."

"Many favour a continuance of this policy in order to preserve the Japanese trade with Italy."

Jiji Shimbun contends that the League simply cannot enforce sanctions effectively unless the nations actually engage in war against Italy.—United Press.

U. S. FAVOURS LEAGUE

London, Oct. 12.

Diplomats here to-day saw increasing indications that the United States "emphatically" favours the League of Nations programme of penalties against Italy.

The American Ambassador, Mr. Robert Bingham, again visited Sir Samuel Hoare, the British Secretary for Foreign Affairs, today. Sir Samuel acquainted him with the entire British viewpoint.—United Press.

PLEADS FOR CO-OPERATION

New York, Oct. 12.

Mr. Henry Stimson, the former Secretary of State, in a letter in the New York Times, pleaded for broader United States co-operation with the League of Nations to suppress the Italo-Ethiopian dispute.

He said the arms embargo against Italy was not sufficient to avert the danger of America becoming involved. He foresaw, he said, the possibility of United States sales of cotton and other commodities to Italy soon causing a grave conflict with member nations of the League.—United Press.

ITALY PROTESTS

London, Oct. 12.

Geneva reports state that Italy has sent a note to the League protesting against the decision reached yesterday regarding the arms embargo.—British Wireless.

ROY HOWARD IN JAPAN

Tokyo, Oct. 12.

Mr. Roy Howard, Chairman of Directors of United Press, with Mrs. Howard and their son, Jack and his wife, have completed a week of visits and sight-seeing in Japan. Mr. Howard is to pay an informal visit to Mr. K. Hirota, Minister for Foreign Affairs, and Mr. Shigenatsu on Monday.—United Press.

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ROYAL WEDDING IN ROME

SPANISH PRINCE
WEDS BOURBON

MAGNIFICENT CEREMONY

(Special to "Telegraph")

Rome, Oct. 12.
Magnificent scenes were witnessed at the wedding of Don Juan, Prince of Asturias, heir presumptive to the Spanish Throne, and Princess Maria de Bourbon, which was held in the biggest church in Rome.

Seven thousand people were present, the majority being Spaniards, and most of the women wore red and yellow, with a Spanish coloured carnation in the hair or in the mouth.

After the ceremony, the bridal pair were greeted with thunderous cheering. They drove to St. Peter's, where they were received by His Holiness the Pope.

In the evening, ex-King Alfonso gave a banquet in honour of the occasion, two thousand Spaniards being present. The couple later left for their honeymoon, their destination not being revealed.—*Reuter Special.*

SUGGESTS WORLD BOYCOTT

(Continued from Page 1.)

making it impossible for them to aid Italy indirectly.

CONSERVING EXCHANGE

New York, Oct. 12.
A new move to conserve the dwindling Italian foreign exchange was seen by American observers in Italy's announcement yesterday of her dollar bond conversion plan; to be offered to Italian nationals in the United States.

The Italian commercial attaché here revealed a new law under which Italians in America and other foreign countries would be permitted in certain circumstances to convert Italian dollar bonds into the recently issued Italian internal five per cent. lire bond offer.

In effect, this means a bonus of about 43 per cent. per \$100 par value in the case of Italian seven per cent. bonds. Unofficial American estimates place the probable annual interest saving on the sinking fund of over \$10,000,000.—*Reuter Special.*

LABOUR ATTITUDE

London, Oct. 12.
The new Leader of the Labour Party, Major Attlee, in his first speech since his election to that office, emphasised that the matters upon which there were differences of opinion in the Labour Movement were much smaller than those they held in common. They were united in their resolve to maintain peace. They believed that even yet if the nations of the world in the League would honestly and wholeheartedly apply immediate sanctions, the present war should be brought to end, but constant care would be needed lest the support of the League was used to start a new armaments race.—*British Wireless.*

BRITAIN'S STAND

London, Oct. 12.
In a broadcast speech last night, Mr. Anthony Eden recapitulated the progress made since the machinery for co-ordinating application of sanctions against Italy has been set up. So far, he said, there had been no dallying. "We cannot afford to dally, for at this moment men are being killed and homes are being shattered. Action must be swift and action must be effective if the League is to achieve the end for which it was set up."

"We have no quarrel with Italy—an old and valued friend. Nowhere would there be more rejoicing than in the United Kingdom if Italy were to turn back into the ways of peace, but we have undertaken solemn obligations and from those obligations we shall not shrink. A prompt beginning has been made. So far as His Majesty's Government, in the United Kingdom is concerned, I can give you an assurance that we have begun, so shall we persevere."—*British Wireless.*

GEVEVA ACTION

London, Oct. 12.
Preparations for collective measures against Italy under Article XVI of the Covenant are steadily proceeding in Geneva, and a further meeting of the Co-ordinating Committee will be held this evening. It is hoped it will have before it the report of its financial sub-committee, which this morning had under consideration the recommendations for suppression of all credits to Italy. The sub-

MISSING FORTUNE

SON OF SPANISH
MARQUIS HELD

SISTER ASKS FOR HELP

New York, Oct. 12.
The police have been asked to hold Dr. Antonio L. Evangelista, Filipino chiropractor, in connection with the death of his father, pending investigations.

It is said the police are puzzled over certain matters, including the death of Jener Logdamio Evangelista de Espina, Marquis de Constantine, who died in 1934 at Pasadena, California.

Apparently the death certificate was signed by one doctor, and the deceased's remains were cremated immediately after death, the ashes being shipped to Spain.

The police have received a letter from Mrs. Florenzel de Cox, of Manila, claiming that she is a daughter of the Marquis, and asking them to investigate the disposition of a fortune of \$50,000 which the Marquis brought from the Philippines.

The Missing Persons Bureau on March 13, 1935, received a request for records of the death of "Jone Jener Logdamio" and the whereabouts of "his son."—*United Press.*

HAWAII- ANTIPODES AIR LINK

ANGLO-AMERICAN
CO-OPERATION

Washington, Oct. 12.
The Pan-Pacific Press Bureau reports that word has been received from Honolulu and Auckland that British interests and the Pan-American Airways are approaching an understanding which will assure the inauguration of an air line between Hawaii and New Zealand.

It is said that Pan-American Airways will operate the service to Auckland, where it will link up with the British systems to Australia and London via India. The stops en route will probably be the Kingman Reef, Pago Pago and Suva.—*United Press.*

POLISH CABINET RESIGNS

Warsaw, Oct. 12.
The Cabinet has resigned because of differences over the new constitution.

A general election is forecast, which may necessitate a Government policy based mainly upon the economic needs of the country.

It is reliably learned that M. Zyndlaw Kosciolkowski, Minister of the Interior, has been asked to form a Cabinet.—*United Press.*

committee is under the chairmanship of the Greek Delegate, M. Maximos.—*British Wireless.*

MACHINERY WORKING

London, Oct. 12.
At Geneva, the Financial Sub-Committee, with the assistance of experts, considered plans for imposing financial sanctions and their general recommendations which will be submitted to the Committee of Seventeen. A plenary meeting of the Co-ordinating Committee of 52 States will be held on Monday to receive this Committee's proposals, and formal approval to the raising of the arms embargo on Ethiopia and for maintaining it in the case of Italy will then, it is anticipated, be given.

When notification of approval to this course is received in London, the Board of Trade will at once be informed and will be at liberty to receive applications for licences for export of arms and munitions to Ethiopia.

Economic sanctions in general were further considered in private today by the Committee of seventeen, of which the financial and other sub-committees are offshoots. Having agreed in principle to the suggestion that the countries co-operating in the imposition of sanctions should refuse to permit the entry of imports from Italy, the Committee of Seventeen adjourned until Monday. Questions of detail have still to be settled and a formal vote was not taken today.

The British delegate, Mr. Anthony Eden, urged the importance of speed, and it was agreed that a vote on the general principle would be taken when the Committee reassembles. The Sub-Committee will work out details in the course of Monday, reporting first to the seventeen Powers and later in the day to the main Co-ordinating Committee. The financial Drafting Committee will meet tomorrow afternoon.—*British Wireless.*

JAPANESE SACRIFICE MARKETS

KEEPING PEACE
IN COMMERCE

PACT WITH AMERICA

Washington, Oct. 12.
It is announced that Japanese exporters have agreed to restrict cotton textile sales in the Philippines to 45,000,000 square metres annually during the two years beginning retrospectively on January 8, 1935, provided the Philippines tariff is not increased. This compares with 66,356,000 metres in 1934.

The announcement states: "It is believed that careful consideration will indicate that the figure will prove beneficial to the textile industries of the United States and Japan without prejudicing the interests of the Philippine people or obligating the Philippine Government."

"Japan and the United States are in entire agreement with this method of handling the situation, which might otherwise result in increasing conflict, compelling commercial interests to demonstrate their ability to handle economic problems in a way which may not prove legitimate."

The agreement provides that the Japanese share will be 55.7 per cent. and the United States 37.7 per cent.—*United Press.*

FORCES MASSES FOR GREAT BATTLE

(Continued from Page 1.)

In a heavy toll of lives among the women and children of the area. Numerous villages were wiped out, including Tafari and Catama, which are important centres of Ogaden.—*United Press.*

ADDIS ABABA FEARS

Djibouti, Oct. 12.
The authorities here believe that the departure of the Italian Minister, Count Vincini, will be the signal for the bombing of the capital by Italian war planes.

To-night's train brought 125 foreign refugees from Addis Ababa, including six members of the Belgian Military Mission, and Miss Esme Barton, daughter of the British Minister.—*United Press.*

QUIET IN NORTH

Asmara, by Native Runner from Adowa, Oct. 12.
All is quiet on the northern front as far as defensive activity is concerned.

The Army is consolidating for the next push, which may come in a fortnight. Thousands of motor trucks are bringing up tens of thousands of tons of materials, and long mile trains in charge of bodies of engineers and labourers, are assisting in the building of tortuous trails.

DESERTER ARRIVES

Some 12,000 Ethiopians, led by Haile Selassie Gussa, from the powerful Tigre province, surrendered to General Santini, the High Command has been advised.

Later, Haile Selassie Gussa, with frizzy hair and negroid features, wearing a dirty cotton shamma, in bare feet and bare head, arrived today.

Many influential priests are also arriving, promising submission if their country is spared hostilities. Gussa's surrender may make possible an early junction of the northern and eastern armies without a shot being fired. This will leave a clear path to the eastern front, and the cutting of the Djibouti-Addis Ababa railway.—*United Press.*

SUSPICIONS AROUSED

Jijiga, Oct. 12.
The Ethiopian suspicions of all whites is rising, due to the receipt of bad news from the front.

Military officers withheld the information that soldiers were marching to the front on Friday chanting a hymn of hate: "The white man is the thief of the ages."

Much feeling has been aroused by repeated reports of Italian gas attacks. Also the lack of news from outside sources leads the natives to believe that the League is not assisting, whereas they can see the white invaders over-running the land.—*United Press.*

U. S. LABOURITE MURDERED

Kansas City, Oct. 12.
Unionists have ordered a general strike for Monday, as a protest against the murder of William Polley, a fiery Labour organizer who was shot in a downtown district while waiting for a traffic signal.—*United Press.*

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GEORGE ARLISS IN "THE AFFAIRS OF VOLTAIRE"

Inflation Of Credit

LACK OF CONTROL
IN AMERICA

Washington, Oct. 12.
A high Federal Reserve Board official admitted that, despite the Board's wide new powers of control of credit currencies, it is problematical whether there is any assurance against credit inflation. The official added that while there is little immediate danger of reactionary inflation, the new set-up made future credit potentialities very difficult to ascertain.—*United Press.*

EFFECT OF WAR

New York, Oct. 12.
The Commodity Research Bureau cites charts since 1720 showing that war has invariably sharply increased commodity prices, saying that currency depreciation has been the principal cause.

It is added that owing to the wide inflationary background existing in the United States, war could readily cause inflation, despite American neutrality.—*United Press.*

THE TYPHOON

The typhoon has entered the coast of Annam and is filling up. Its position at 10 a.m. to-day was 106° Long.; 17° Lat.

NAVAL PARLEY PLANNED

TO MEET IN LONDON
SHORTLY

Washington, Oct. 12.
It is learned from unimpeachable sources that the Naval Conference is definitely scheduled to take place in London in a few week's time, the exact date being uncertain. Many feel that the results will probably be negative. However, it is held that the gesture is obligatory under the treaties.—*United Press.*

SNATCHING IN KOWLOON

EUROPEAN LADY
ROBBED

Mrs Woolley, of 6 Suffolk Road, Kowloon Tong, was the victim of a daring snatching incident last night shortly after 9.30.

In a report to the police, Miss Woolley states that while she was standing in Nathan Road opposite Granville Road, a Chinese man riding a bicycle, came past and snatched her handbag which contained money and property to the total value of \$20.

Printed and Published for the Proprietors by FREDERICK PEROT FRANKLIN, at 1 and 3, Wyndham Street in the City of Victoria Hongkong.